

ARMY SECURITY AGENCY
WASHINGTON 25, D. C.

23

5 November 1945

Brigadier General John Magruder
Director, Strategic Services Unit
25th & E Streets, N. W.
Washington 25, D. C.

Dear General Magruder:

I have received your letter of 31 October 1945 pertaining to communications security matters.

As you know, Colonel Harold G. Hayes of this Agency has contacted Colonel Nero, your organization, on this subject. It is my belief that it would be more helpful if the specific problems facing your unit were indicated so that we might consider them in connection with our available facilities.

Sincerely yours,

Wheeler Corderman
W. PRESTON CORDERMAN
Brigadier General, USA
Chief, Army Security Agency

31 October 1945

Dear Comdr.:

In accordance with an Executive Order of the President, issued on 15 September 1945, the Office of Strategic Services was placed under the jurisdiction of the War Department, with the exception of two of its branches which were transferred to the Department of State.

A memorandum from the Secretary of War, under date of 26 September 1945, designated those OSS components transferred to the War Department as the Strategic Services Unit. This Unit is operating under the Office of the Assistant Secretary of War.

As you know, the Office of Strategic Services maintained a complex and far-flung communications system, which is now being reduced proportionately to the overall reduction in size of the Strategic Services Unit. The Strategic Services Unit, however, is not being wholly liquidated, but for the time being maintained as an entity. Because its type of activity is inherently complex and communications for it necessarily are equally specialized, we are continuing to maintain a communications system commensurate with the size of the unit.

I have instructed my Communications Officer to review the procedures and practices of our Signal System and to establish the necessary liaison with the Army Security Agency in order to assure that appropriate standards of security are maintained in all respects. I take it that this is equally desirable from your point of view and would appreciate your making available to us the advice and help of the Army Security Agency so that our communications facilities may have the benefit of complete liaison

Brig. General W. P. Cordeman

with your comments.

Sincerely yours,

John Magruder
Brig. General USA
Director

Brig. General W. P. Cordeman
Chief, Army Security Agency
Washington 25, D.C.

October 31, 1945

Dear Corderman:

In accordance with an Executive Order of the President, under date of 20 September 1945, the Office of Strategic Services was placed under the jurisdiction of the War Department, with the exception of two of its branches which were transferred to the Department of State.

A memorandum from the Secretary of War, under date of 26 September 1945, designated those OSS' components transferred to the War Department as the Strategic Services Unit. This Unit is operating under the Office of the Assistant Secretary of War.

As you know, the Office of Strategic Services maintained a complex and far-flung communications system, which is now being reduced proportionately to the overall reduction in size of the Strategic Services Unit. The Strategic Services Unit, however, is not being wholly liquidated, but for the time being maintained as an entity. Because its type of activity is inherently complex and communications for it necessarily are equally specialized, we are continuing to maintain a communications system commensurate with the size of the unit.

I have instructed my Communications Officer to review the procedures and practices of our Signal System and to establish the necessary liaison with the Army Security Agency in order to assure that appropriate standards of security are maintained in all respects. I take it that this is equally desirable from your point of view and would appreciate your making available to us the advice and help of the Army Security Agency so that our communications facilities may have the benefit of complete liaison with your command.

Sincerely yours,

Brigadier General W. P. Corderman
Chief, Army Security Agency
Washington, D. C.

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7 November 1945

MEMORANDUM TO : GENERAL MAGRUDER

SUBJECT : Liaison with Army Security Agency (General Corderman's letter 5 November 1945)

1. It is the opinion of this office that the SSU communications systems must operate in accordance with established and accepted War Department standards of cryptographic and traffic security as long as the present policy of the War Department towards SSU is interpreted to mean that SSU is to function as an entity under the Assistant Secretary of War.

2. In accordance with this opinion, it is the belief of this office that the Army Security Agency should extend its facilities to SSU as follows:

- a. Make a formal inspection of the SSU Washington Signal Center and institute a system of inspections at regular intervals.
- b. Run checks on cryptographic materials produced by SSU for use between its Washington and field offices and consider the advisability of drawing such material from Army Security Agency.
- c. Inspect and check methods employed by SSU's Signal Security Control.

3. The request for inspection by and continuous liaison with the Army Security Agency comes strictly as a policy matter, since this office feels that the transfer of the Communications Branch from OSS/JCS control to SSU/OASW brings with it a changed conception in our relations with regard to Army Security Agency's regulations and controls.

4. Until such time as steps outlined above have been taken, this office is not in a position to state that the Communications Branch of SSU is operating in accordance with War Department regulations.

Peter G. S. Merc
Chief, Communications Branch

7 November 1945

Brigadier General W. Preston Corderman
Chief, Army Security Agency
Washington 25, D. C.

Dear General Corderman:

Thank you for your letter of November 5.

There is attached hereto a memorandum from my
Communications Officer which I believe will furnish the
required information.

Sincerely yours,

JOHN MAGRUDER
Brigadier General, USA
Director, Strategic Services
Unit

Attachment

From Files of the Secretariat
Please Return

5 October 1945

10-4-45

SUBJECT: COMMUNICATIONS PROBLEMS

TO: COL. FORGAN
COL. GAMBLE
LT. FUTZEL ✓

The following is a summary of suggestions made during a prolonged conversation with General McGruder on 5 October. General McGruder and I were in substantial agreement. The General desires that the entire subject be studied by Colonel Forgan. Item four, however, was a definite decision, which has been acted upon.

1. Since SSU is now a unit of the War Department, that part of its communications system which still remains unliquidated is also a part of the War Department and must at a very early date be readjusted to comply with War Department procedure and security-directives. This reorganization of the present SSU Communications system must be planned with great care and worked out in the closest practical liaison with Army Communications Service and Signal Intelligence. Undue delay in the readjustment of SSU Communications in conformity with War Department practices is considered very inadvisable.

2. The readjustment referred to above is the readjustment of the SSU Communications system which was developed under OSS for World War II. It is desirable that this communications system should disappear "from the eyes and ears of the world" as soon as possible. The readjustment

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spoken of above refers, therefore, to a readjustment for the interim period between the present and the time when it is possible to discontinue all phases of the war-time OSS communications service, or place it under such disguise that it is not identifiable.

3. Actually it is altogether probable that the permanent Signal system of SSU will to some degree be made out of the residue of OSS Communications, after the part of that residue which it is desirable to save has been brought into required conformity with War Department practices. It is most essential that the permanent organization and the overall concepts be created anew in conformity with the present place of SSU as a part of the War Department, and to meet the quite different demands which are made upon an intelligence service in times of peace. For example, the entire structure should, from the first, be built on the basis of closest liaison with Arlington Hall. Furthermore, it should be built in conformity with the entirely different security demands of peace-time intelligence operations, and maximum advantage should be taken of the reorganization process to find new and better cover.

The establishment of such a permanent SSU Signal Unit covers the special communications unit which has been the subject of other memoranda, especially since the permanent SSU Signal Unit will inevitably be divided into at least two subsections, one for supply and routine communications services,

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the other, under the completest cover possible, for all secret intelligence communications, and in charge of all ciphers, security procedures, special technical devices, traffic disguises, and deceptions.

4. Because of the necessary functional interconnection of the new SSU Signal System with the pertinent divisions of the United States Signal Corps and Signal Intelligence, I have suggested to General Magruder that the entire SSU signal system be put under the charge of a senior Signal Corps officer who has had the requisite signal intelligence background and who, at the same time, is thoroughly familiar with OSS operations. General Magruder has approved this, and, acting on his instructions, I have had informal conversations with Signal Intelligence. Signal Intelligence was most cooperative, and an officer now stationed overseas was selected. Colonel Quinn is now attempting to secure his immediate transfer to SSU.

Having been asked for suggestions, I submit the following to cover the interim period from now until the arrival of the new Signal Officer.

A. To discontinue immediately the liquidation of communications equipment in stock in the U.S. and overseas (except Chiha), and to hold all communications personnel not eligible for discharge under the point system, both to be subject to a review

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of future requirements by the new Signal Officer.

B. To hold all personnel (17 officers and 111) and equipment now assigned to the "ALPHONSE" project (a project not under the jurisdiction of the Communications Branch) so that they may be available to the new Signal Officer according to his final decision on the entire project.

C. In accordance with Paragraph 1, page 1, to prepare immediately studies for the readjustment of what remains of the war-time OSS signal system in accordance with War Department procedures, these studies to be ready for the new Signal Officer upon his arrival.

The delay involved in the disposition of materiel and personnel is insignificant in proportion to the advantages in economy, time, and security which an available stock of personnel and equipment will give the Signal Officer. It would, I believe, be unfair and unwise to ask anybody to create a new signal system after a liquidation uncoordinated with future demands.

Finally, I should like to explain that I have no connection with the Communications Branch, OASW/SSU, having been transferred

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to General Donovan's office shortly after my return from overseas and having been put in charge by General Donovan of a special project, "AMPERE." When OSS was transferred to the War Department work on this project was halted and steps were taken to liquidate major commitments, subject to final disposition. I feel that any continuation of the "AMPERE" project should be in terms of its usefulness to the new SSU communications system, as by itself and without a proper framework it will serve no purpose.

I am now on terminal leave, but my duties in connection with closing the books of "AMPERE" and liquidating obligations incurred by me for this project will require my attention for about ten days, during most of which time I shall necessarily be absent from Washington, returning about the 12th of October for a few days. I have advised General Magruder that I can be available when the new Signal Officer arrives to give him any initial assistance in handling SSU signal assets in personnel and past experience which he may desire.

Peter G. S. Mero
PETER G. S. MERO

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